Prepared by and Hold for: Kristoff Law Offices, P.A.

NORTH CAROLINA JOHNSTON COUNTY

PROTECTIVE COVENANTS ECHO FOREST, SECTION 1

THIS DECLARATION, made and entered into this 7th day of October, 1999 by Billy R. Flowers and Edwards Residential Construction, Inc., hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of that certain tract or parcel of land more particularly described as all of the Lots in Echo Forest Subdivision, Section 1, Plat Book 53, Page 438, Johnston County Registry, and

WHEREAS, it is for the mutual benefit of all homeowners in Echo Forest Subdivision, Section 1, both present and future, for Declarant to subject said lots as referenced hereinabove to the following Protective Covenants;

NOW, THEREFORE, Declarant does hereby declare that all of the real property referred to above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the above-described real property, or any part thereof, their heirs, successors and assigns, for the term of these covenants as set forth below, and shall inure to the benefit of each holder thereof.

ARTICLE I

LAND USE AND BUILDING TYPE. No lot shall be used except for residential purposes, except that nothing herein shall preclude the use of any lot for a utility purpose for the benefit of this subdivision or access by the Declarant or its successors in interest, except that if any lot is purchased from the Declarant by an individual lot owner or builder, then said lot must be used for residential purposes only. No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) detached single-family dwelling not to exceed two and one-half (2 1/2) stories in height and a private garage for not more than three (3) cars, and (with the approval of the Architectural Committee) an accessory building or structure for storage or other appropriate use, not in excess of two hundred fifty (250) square feet in area. No lot shall be further subdivided without the express written consent of Declarant herein.

ARTICLE II

SITE AND PLAN APPROVAL. No building, fence, swimming pool or any other structure shall be erected, placed or altered on any premises in the subdivision until the building plans, builder specifications and plot plan showing the location of such improvements have been approved in writing as to conformity and harmony of external design with existing improvements in the subdivision, and as to location of the improvements with respect to topography and finished ground elevation by an Architectural Committee. The Architectural Committee shall be composed of the Declarant, however, Declarant shall have the authority to appoint others to the Architectural Committee in the future, as Declarant deems necessary. All driveways installed on

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all lots in the subdivision shall have a concrete paved turnout at the street edge with appropriate drainage as approved by Declarant.

ARTICLE III

DWELLING SIZE AND DRIVEWAYS. No residential structure which has an area less than one thousand two hundred (1200) finished, heated square feet, exclusive of porches, breezeways, steps and garages, shall be erected, placed or permitted to remain on any lot. Driveway piping and temporary gravel driveways must be installed before any type of construction commences on any lot.

ARTICLE IV

BUILDING LOCATION. No building shall be located on any lot nearer to the front, side or rear lot lines than is required by the Johnston County Subdivision Regulations and zoning authority. No portion of any building shall be permitted to encroach upon another lot.

ARTICLE V

EASEMENTS. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plats referenced hereinabove and over the front ten (10) feet of each lot, and ten (10) feet along each side lot line, unless shown in excess of such distances on the recorded plats referenced above, in which case said plats shall control. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities and drainage facilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible.

ARTICLE VI

NUISANCES. No noxious or offensive trade activity shall be carried on upon any lot, nor shall anything be done thereon which may be or become and annoyance or nuisance to the neighborhood. No signs or billboards shall be displayed, stored or regularly located on any lot in the subdivision, except real estate signs not to exceed two square feet, and no commercial trucks or tractors may be parked on or adjacent to any lot in the subdivision. No business activity or trade of any kind whatsoever, which shall include, but not be limited to, the use of any residence as a doctor's office, professional office of any kind, fraternity house, rooming or boarding house, antique or gift shop, hair salon or body shop shall be carried on upon any lot in the subdivision. The use of all-terrain vehicles, including, but not limited to, three-wheelers, four-wheelers, golf carts, dirt bikes and go-carts, in the subdivision is expressly prohibited hereby. The use of firearms in the subdivision is expressly prohibited hereby.

ARTICLE VII

TEMPORARY STRUCTURES. Except as hereinbefore set forth, no trailer, tent, shack, barn or other out-building, except a private garage for not more than three (3) cars, or an out-building not more than two hundred fifty (250) square feet in size, shall be erected or placed on any lot covered by these covenants. Except with the prior consent of the Architectural Committee, no detached garage shall at any time be used for human habitation, either temporarily

or permanently.

ARTICLE VIII

FENCES. No fence or fencing-type barrier of any kind shall be placed, erected, allowed or maintained upon any portion in the subdivision, including any lot, without the prior consent of the Architectural Committee. The Architectural Committee may issue guidelines detailing acceptable fence styles or specifications, but in no event shall hog-wire or chicken-wire be approved nor shall any chain-link fencing be allowed in view from any street within the subdivision.

ARTICLE IX

ACCESSORY BUILDINGS. No accessory building of any nature whatsoever, including, but not limited to, detached garages and storage buildings in excess of the size specified in Article VII of these Protective Covenants shall be placed on any lot without the prior written approval of the Architectural Committee. Said Architectural Committee shall have the sole discretion relating to the location and type of accessory building which shall be permitted on any lot. All accessory buildings must have a permanent foundation. Only one detached accessory building shall be permitted per lot. At no time will accessory buildings be permitted to be located in the front yard of any lot in the subdivision.

ARTICLE X

CONSTRUCTION REQUIREMENTS. All builders in the subdivision must provide a central area for construction debris which is fenced such that all construction debris can be confined within said fenced area. In the event a builder does not provide or maintain said fenced area for construction debris, Declarant reserves the right to clean the lot and charge the builder for the costs of said clean-up. The intent of Declarant is for all builders to maintain a lot that is neat in appearance during the construction of a home on any lot in the subdivision. A temporary gravel driveway must be installed prior to the commencement of any construction, including lot clearing, on any lot in the subdivision. In addition, all driveways must have a concrete pipe and graveled surface installed prior to the digging and pouring of the footings for the home constructed on any lot in the subdivision if the permanent concrete paved turnout has not been installed prior to the digging of said footings. In addition, there shall be no open burning of debris at any time during the construction of the homes on any of the lots in the subdivision.

ARTICLE XI

APPEARANCE. Each lot owner shall keep his or her lot free from tall grass, undergrowth, dead trees, trash and rubbish, and properly maintained so as to present an attractive appearance within the subdivision. In addition, each lot owner is expressly required to properly maintain that area located between their property line and the asphalt streets located in Echo Forest Subdivision, said area being the drainage ditch or swale of the street right-of-way located directly in front of and/or to the side of their lot. In the event a lot owner does not properly maintain his or her lot as provided above in the opinion of the Declarant and/or Architectural Committee, then Declarant, or its successors in interest, at its option, may have the lot cleaned to Declarant's or Architectural Committee's satisfaction, and the costs thus incurred shall be the responsibility of the lot owner. The costs of clean-up, if expended by the Declarant or its successors in interest, shall be a continuing lien upon the lot until the sums due and payable are paid in full. Location of satellite television receivers must be approved in writing by the Architectural Committee, but in no event shall any receiver be visible from any road within the

subdivision, except with special consent from Declarant. Screening for satellite television receivers are subject to approval by the Architectural Committee. Communication towers are expressly prohibited. Stick-built homes, constructed on the premises, are expressly required. No prefabricated or manufactured homes are permitted on any lot. All primary fuel storage tanks must be placed underground, or be placed behind the main dwelling, out of view from any street. Home curtain foundation walls are expressly prohibited unless approval for the same is first obtained, in writing, from the Architectural Committee. Brick mailboxes are expressly prohibited. No inoperable motor vehicles, or those motor vehicles not registered with a Department of Motor Vehicles, may be parked on any lot if visible from any road within the subdivision. At the option of the Declarant and/or the Architectural Committee, silt fences may be required to be erected during the period of construction of any structure to be located on any lot, to prevent erosion or other damage to adjoining lots. Construction and maintenance of same shall be borne by the lot owner. In the event an owner does not construct such a fence after being requested to do so by the Declarant and/or Architectural Committee, then Declarant, or its successors in interest, at its option, may have the fence erected, and the costs thus incurred shall be the responsibility of the lot owner. The costs of construction of such fence or fences, if expended by the Declarant or its successors in interest, shall be a continuing lien upon the property until the sums due and payable are paid in full.

ARTICLE XII

ANIMALS. No animals, swine or fowl of any kind, other than ordinary household pets, shall be kept or maintained on any lot in the subdivision. Dogs must be contained within their owner's lots, or on leashes. Incessant barking or other offensive activities by household pets shall be considered noxious and offensive activities and shall not be permitted.

ARTICLE XIII

PARKING. Adequate off-street parking shall be provided by the owner of each lot for the parking of automobiles owned by such owner, and owners of lots shall not be permitted to park their automobiles on the streets in the subdivision. Owners of lots shall not be permitted to park all-terrain vehicles, boats, trailers, campers, commercial vehicles and other similar property on the streets in the subdivision, and such property shall not be permitted to be parked in the front yard, or in view from the street, except with special written consent from Declarant.

ARTICLE XIV

UNDERGROUND UTILITIES AND STREET LIGHTING. Declarant reserves the right to subject the real property described hereinabove to a contract with Carolina Power and Light Company or its successors in interest for the installation of underground electric cables and the installation of street lighting, either or both which may require a continuous monthly charge to the owner of each lot.

ARTICLE XV

AMENDMENT. While Declarant owns any lot within the subdivision, or for such shorter period as allowed by law, Declarant shall have the absolute right to amend these Protective Covenants, which amendment or amendments shall be binding upon all property owners within the subdivision. Thereafter, these Protective Covenants may be amended by an instrument signed by not less than seventy-five percent (75%) percent of lot owners.

ARTICLE XVI

ANNEXATION. Declarant has the absolute right to annex additional residential property, including common areas which may subject the homeowners in the subdivision to assessments for maintenance of the common areas, while Declarant owns any lot within the existing subdivision, or for such shorter period as allowed by law. Thereafter, additional properties may be annexed, including common areas, with the consent of at least seventy-five percent (75%) of the lot owners.

ARTICLE XVII

TERM. These covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of twenty-five (25) years from the date these covenants are recorded with the Johnston County Register of Deeds Office, after which time said covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument signed by a majority of the then lot owners has been recorded, agreeing to change these covenants, in whole or in part.

ARTICLE XVIII

ENFORCEMENT. Enforcement of these covenants shall be by proceeding at law or in equity against any person or persons violating or attempting to violate any covenant, and the aggrieved party may request restraint of the violation or damages resulting from said violation.

ARTICLE XIX

SEVERABILITY. Invalidation of any one of these covenants or any part thereof by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect, and the failure of any person or persons to take action to enforce these covenants shall not be construed as a waiver of any future enforcement rights.

ARTICLE XX

MAILBOXES. Declarant shall provide all homeowners in the subdivision with a mailbox for his or her lot. If said mailbox is damaged subsequent to the homeowner's purchase and closing of a lot in the subdivision, said homeowner must replace the mailbox with an identical mailbox.

ARTICLE XXI

ENTRANCE SIGN MAINTENANCE. The Entrance Sign Area is shown on the map for Echo Forest Subdivision which is recorded in Plat Book 55, Page 35

Johnston County Registry. Billy R. Flowers hereby reserves an easement for himself and grants and conveys to the Entrance Sign Maintenance Committee (the "Committee"), its successors and assigns an easement across said Entrance Sign Area to maintain, repair, replace and improve signs within the Entrance Sign Area and to maintain, repair and improve the landscaping within the Entrance Sign Area. Billy R. Flowers shall maintain the Entrance Area until January 1, 2000 when maintenance of the Entrance Sign Area shall become the responsibility of the Echo Forest Entrance Sign Maintenance Committee.

An annual meeting shall be held, at a place within the subdivision of all record owners of lots in the subdivision on the first Saturday in December to elect three members of the Committee. In this connection, Billy R. Flowers shall be one of the three owners to serve on the committee until Billy R. Flowers no longer owns 10% or more of the lots within the subdivision. The Committee shall have the duty and responsibility to budget for, maintain and enhance the Entrance Sign Area as may be necessary and feasible and to collect all the costs involved therein from the lot owners on a lot pro rata basis including the costs of electricity, water, lighting and irrigation within the Entrance Sign Area. Billy R. Flowers shall contribute his pro rata share for lots remaining in his name. The maximum annual maintenance assessment shall be \$25.00 per Lot beginning January 1, 1999 and shall not be increased above said maximum amount without the approval of 75% of the lot owners present and voting at the annual meeting. The Committee may fix the annual maintenance assessment at an amount not in excess of the maximum. In addition, an initial maintenance fee of \$25.00 shall be collected from the purchaser of each lot at the closing of the sale of the completed dwelling thereon.

Each lot owner shall be responsible for keeping his or her mailing address current with the Committee and the Committee may rely upon such information for purposes of mailing statements for the annual maintenance assessment. Each lot owner within the subdivision, by

acceptance of a deed therefore, whether or not it is expressed in such deed, is deemed to covenant and agree to pay to the Committee said annual maintenance assessment.

Failure of any lot owner to pay his or her annual maintenance assessment within sixty days of the mailing of the statement by the Committee shall constitute a failure to pay for labor and materials contemplated by North Carolina General Statutes 44A-7, et seq. And the Committee or any other owners shall be entitled to proceed against the nonpaying lot owner to perfect and enforce the lien as provided by North Carolina General Statutes 44A-11, et seq. This right inures to the benefit of the Committee and lot owners for the cost of any maintenance, repair and improvement of the Entrance Area provided such cost is authorized in accordance with this Paragraph.

ARTICLE XXII

IMPERVIOUS MATERIALS. All other provisions herein contained not withstanding, any impervious material placed upon a lot shall not exceed an average of 12 percent of the total square footage of the lot. "Impervious Material" is defined as rooftops of homes, garages and outbuildings, paved or asphalt driveways, walkways and patios.

ARTICLE XXIII

RIPARIAN BUFFERS. Lot 1 shall maintain an undisturbed 50 foot Riparian Buffer along any creeks abutting said Lot 1 and such 50 foot Riparian Buffer shall not be cleared, fertilized or planted with non-native vegetation. Only that vegetation that could damage dwellings can be selectively removed.

IN TESTIMONY WHEREOF, the Declarant has hereunto set its hand and seal the day and year first above-written.
BILLY P. FLOWERS, Declarant (SEAL)
By: President Attest:
NORTH CAROLINA JOHNSTON COUNTY
I, a Notary Public of the County and State aforesaid, certify that Billy R. Flowers personally appeared before me and acknowledged the due execution of the foregoing instrument. Witness my hand and official stamp or seal this
Notary Public My Commission Expires: 20001 *** PUBLIC
COUNTY OF JOHNSTON
I, the undersigned notary public, in and for the County and State aforesaid, do hereby certify that Lawrence E. Kristoff, II appeared before me, and acknowledged that he is the Assistant Secretary of EDWARDS RESIDENTIAL CONSTRUCTION, INC., and that by authority duly given and as an act of the corporation the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him as its Secretary. Witness my hand and notarial stamp or seal on this the 1999.
NOTARY PUBLIC *** State of North Carolina-Johnston County Company Commission expires: A A A A
PUBLIC Notaries) Public is (are) certified to be correct.
Notary (Notaries) Public is (are) certified to be correct. This instrument was prepared for registration and recorded in Book. Page 19 99 at 12 5 PM Phyllis N Wall
Phyllis N Wall Register of Deeds Deputy Register of Deeds